

To the Members of the California State Senate:

Although I remain concerned about the Indian Gaming Special Distribution Fund, I am signing Senate Bill 288 because of the immediate direct benefit it provides to local communities impacted by the effects of tribal gaming.

State law has established priorities for the Indian Gaming Special Distribution. Assembly Bill 1750, which I signed last fall addressed the first priority of the Indian Gaming Special Distribution Fund (SDF), funding shortfalls in payments from the Indian Gaming Revenue Sharing Trust Fund. My 2006-07 Budget, which is being considered by the Legislature, proposes to address our regulatory requirements, which are a higher priority than local mitigation funding under state law.

Given the timing of passage of SB 288 compared to the pending budget deliberations, we are dealing with a lesser priority of the SDF prior to addressing the regulatory requirements. As such, it is my expectation that the Legislature will support our proposal to help the state meet its Indian gaming regulatory requirements. Without the support of our proposal, it will be difficult for me to support local mitigation funding in the Budget.

As we move forward, I look forward to the enhanced reporting requirements under this measure, along with an upcoming audit by the State Auditor, to ensure that the funds are being used to mitigate the impacts of tribal gaming on local governments as contemplated in the 1999 Compacts.

Sincerely,

Arnold Schwarzenegger